

# **MINUTES**

## **RHODE ISLAND HIGHER EDUCATION ASSISTANCE AUTHORITY BOARD OF DIRECTORS' MEETING**

**November 9, 2012**

**The 317th meeting of the Rhode Island Higher Education Assistance Authority was held Friday, November 9, 2012 in the McKenna Conference Room at 560 Jefferson Blvd., Warwick, RI. Chairman Santoro called the meeting to order at 12:05 p.m.**

### **Board Members in Attendance:**

**Dr. Anthony J. Santoro, Chairman**

**Dr. William Croasdale, Vice Chairman**

**Mr. John Howell, Secretary**

**Ms. Faith LaSalle, Esq.**

**Mr. Christopher Feisthamel, designee for General Treasurer Gina Raimondo**

### **Board Members absent:**

**Ms. Patricia Doyle**

**Mr. Solomon A. Solomon**

### **Also Attending:**

**Mr. Charles P. Kelley, Interim Coordinating Officer**

**Ms. Gail Mance-Rios, Deputy Director**

**Mr. Charles Miller, Chief Information Officer**

**Mr. Michael Joyce, RIHEAA**

**Ms. Clordine Cox, RIHEAA**

**Ms. Linda Makhlouf, RIHEAA**

**Ms. Kathy Sisson, RIHEAA**

**Mr. Noel Simpson, RISLA**

**Guest:**

**Mr. Peter Knepper, XAP**

**Ms. Susan Sowah, XAP**

**1. Minutes of the Board of Directors' meeting held on September 28, 2012 were unanimously approved.**

**2. Chairman's Report: Dr. Santoro made a motion to go into Executive**

**Session regarding the XAP Financials, seconded by Mr. Howell and Dr. Croasdale.**

**Voted in Favor: Dr. Santoro, Dr. Croasdale, Mr. Howell, Ms. Lasalle, and Mr. Feisthamel.**

**Voted against: None**

**Executive session began at 12:06 p.m.**

**Open session resumed at 12:45 p.m.**

**Dr.Santoro stated that no votes were taken in executive session and made a motion to seal the minutes of the Executive Session, seconded by Mr. Feisthamel and Mr. Howell.**

**Voted in favor: Dr. Santoro, Dr. Croasdale, Mr. Howell, Ms. Lasalle, and Mr. Feisthamel.**

**Voted against: None**

**Dr. Santoro stated that he and Mr. Kelley had a good meeting with Carolyn Dias, and David Abbott of RIDE. Dr. Santoro stated that RIDE is very interested in taking over WaytogoRI. Dr. Santoro stated that Ms. Dias would go to the legislature and ask to shift waytogo to RIDE's budget with our funding for two to three years, but the**

**funding will sunset and the legislator's will pick it up.**

**Dr. Croasdale stated that he is worried about the transfer of RIHEAA employees.**

**3. Interim Coordinator's Report: Mr. Kelley stated that he received an email from the Budget Office indicating that they are eliminating the Executive Director's position at RIHEAA. Dr. Santoro asked Mr. Kelley to speak with the Budget Office.**

**4. Future of RIHEAA: Report deferred to next Board meeting.**

**5. Financial Report: Report deferred to next Board meeting.**

**6. Matching Grant Update: Report deferred to next Board meeting.**

**7. Review of the XAP Financials: Per Dr. Santoro, this item was moved to the Chairman's Report, item number 2.**

**8. WaytogoRI RFP Update: Ms. Sisson distributed the scoring matrix and information regarding the RFP Review Committee. Ms. Sisson stated the review committee made up of administrators, principals, guidance counselor's, staff at RIDE and RIHEAA met to discuss the RFP and the functions within the document. After reviewing and**

scoring the RFP, the committee recommended the RFP for the E-Transcript system be awarded to XAP. Mr. Miller stated that for E-Transcript service XAPs' cost was \$50,000 and Connectedu was \$70,000 for annual maintenance fee. The phase two portion cost from XAP was \$125,000; Connectedu was \$375,000 - \$575,000. Mr. Miller stated that XAP had a better cost structure. Ms. Sisson stated that the committee thought that XAP really answered the questions in the RFP and looked at the regulations.

Dr. Santoro asked why wasn't references asked of Connectedu? Ms. Sisson stated that the committee wanted the vendor that was selected to provide references. Ms. Sisson stated that Mr. Abbott of RIDE provided a letter of support.

Dr. Santoro asked how much of this is paid for through the grant. Ms. Sisson stated that all of it is paid for through the grant for one year. After one year, it could be paid for through RIDE or RIHEAA. Dr. Santoro asked Mr. Lacroix if this is doable, Mr. Lacroix stated that he is comfortable with this expense through the guaranty agency.

Dr. Santoro stated he understands that we don't own a code, but is willing to work with XAP. Dr. Santoro stated, if we are to award this RFP to XAP, it would be conditioned upon a negotiation of the contract and letters of reference.

Mr. Miller asked the Board if they would accept a clause under the

current contract stating that if XAP was purchased by someone that we don't want to business with or go out of business RIHEAA could take ownership of the code for our own purposes with the understanding that we don't share it or sell it.

Mr. Knepper stated if the choice is not XAP then it presents some significant issues for XAP regarding the interface with Connectedu. This requires opening up our code, build firewalls and create another data warehouse. On the enhancement side of things, the look, feel as well as content will need to be managed.

A motion was made to conditional award the bid to XAP subject to reaching an agreement with the Interim Coordinator and the checking of references was made by Ms. Lasalle and seconded by Mr. Howell.

Voted in Favor: Dr. Croasdale, Mr. Howell, Ms. Lasalle and Dr. Santoro.

Voted Against: None

\* It should be noted that Mr. Feisthamel abstained from voting.

The Board will meet in December to finalize.

**9. Action Item (s):**

a. Approval of the Sallie Mae contract – Mr. Kelley stated RI is ranked number one in the country by the Federal Department of Education in collecting student loans through rehabilitation. RIHEAA has the highest success rate of the rehabilitated defaulted loan and getting the students back in good standing, clearing up their credit record. Mr. Kelley stated that RIHEAA has a good relationship and management of Sallie Mae. Mr. Lacroix stated that Sallie Mae's increase consists of the portfolio management fee increase by 15%, they give 24% of net revenue and that number is moving to 27.5%. A motion was made to accept the Sallie Mae contract by Dr. Croasdale and seconded by Mr. Feisthamel.

Voted in Favor: Dr. Croasdale, Mr. Howell, Ms. Lasalle, Mr. Feisthamal and Dr. Santoro.

Voted Against: None

There being no further business to come before the Board of Directors, the meeting adjourned.

Adjournment was at 1:55 p.m.

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Mr. John Howell

**Secretary**